

Agenda Date: January 25, 2006

Item Number: B1

Docket: TG-051748

Company: Waste Control, Inc., G-101

Staff: Nicki Johnson, Regulatory Analyst

Recommendation:

Issue a Complaint and Order suspending the tariff provisions filed by Waste Control, Inc., G-101, in Docket TG-051748.

Discussion:

On November 15, 2005, Waste Control, Inc., G-101, (Waste Control or the Company) filed revisions to its current tariff proposing a \$101,000 (3.71 percent) increase in revenue. On December 21, 2005, the Company extended the effective date of the filing to February 1, 2006. Present rates have been in effect since January, 2003. Waste Control provides regulated service throughout Cowlitz County to approximately 8,800 customers.

The Company states that its filing was necessitated by increased insurance premiums and fuel costs. The Commission staff reviewed the filing and found that a significant part of the Company's proposed revenue increase hinged on the depreciation expense and the return on net investment of assets that the Company purchased or will purchase after the end of the test year. The pro forma test year is the 12 months ended March 31, 2005. Among the assets the Company seeks to include are two trucks it purchased in December 2005 and one it anticipates placing in service in June 2006. Commission staff did not include these assets in its results. The Commission staff will continue working with the Company to resolve this issue.

A representative sampling of present and proposed rates follows:

	<u>Present Rate</u>	<u>Proposed Rate</u>
<u>Residential Service</u>		
(Weekly Service, Monthly Rate)		
30-35 gal Cart Castle Rock	\$13.60	\$13.80
30-35 Gal Cart Woodland	10.00	12.50
30-35 Gal Cart Cowlitz County	13.85	14.05
<u>Commercial Service</u>		
(Weekly Service, Monthly Rate)		
One Yard Cowlitz County	\$74.10	\$76.20
One Yard Woodland	55.80	65.10
<u>Drop Boxes</u>		
(Per Pickup)		
20 Yard	74.65	80.00
30 Yard	81.00	87.00

Recommendation

The Company has not yet demonstrated that the proposed rates are fair, just, reasonable, and sufficient. It is therefore recommended that the Commission issue a Complaint and Order suspending the tariff provisions filed by Waste Control, Inc., G-101, in Docket TG-051748.

Attachment